

The Telecommunications Excise Tax Act, found at 35 ILCS 630/1 et seq., imposes a tax upon the act or privilege of originating or receiving in the State of Illinois interstate telecommunications by a person in Illinois at the rate of 7% of the gross charge for such telecommunications purchased at retail from a retailer by such person. See, 35 ILCS 630/4. (This is a GIL).

October 26, 2000

Dear Ms. Xxxxx:

This letter is in response to your letter dated September 11, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

Please consider exempting our organization from Telecommunications Excise Tax. We are a volunteer organization, which performs much of its services by phone. We are already exempt from Illinois sales tax.

Thank you for your consideration.

The Telecommunications Excise Tax Act, found at 35 ILCS 630/1 et seq., imposes a tax upon the act or privilege of originating or receiving in the State of Illinois interstate telecommunications by a person in Illinois at the rate of 7% of the gross charge for such telecommunications purchased at retail from a retailer by such person. See, 35 ILCS 630/4. The Telecommunications Excise Tax Act is a separate and distinct Act from the Retailers' Occupation Tax Act, which is commonly referred to as the sales tax. The exemptions provided for in the Retailers' Occupation Tax Act are not incorporated by reference into the Telecommunications Excise Tax Act. Therefore, exemptions are not available from the Telecommunications Excise Tax unless they are specifically included within the Telecommunications Excise Tax Act.

Organizations that make application to the Department pursuant to provisions in the Retailers' Occupation Tax Act and are determined to be exclusively religious, educational, or charitable, and receive an exemption identification number (an "E" number) are generally not exempt from paying Telecommunications Excise Tax. Therefore, we are unable to grant you an exemption from this tax.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk